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## **STATEMENT OF GOVERNOR HALEY BARBOUR**

### ***On Medicaid cuts***

July 11, 2008

"Today, I have directed the Division of Medicaid to file legal notice of \$375 million in cuts to Mississippi's Medicaid program. I sincerely regret having to take this action, but as I have been saying for weeks, it is required by law because the Mississippi House has failed to enact a solution to the current \$90 million shortfall in the Medicaid program.

The need for these cuts is an unfortunate result of the House leadership's unwillingness to consider a fair, permanent, sustainable solution to Medicaid funding. The Senate passed such a compromise measure on May 28, 2008, by an overwhelming, bipartisan vote of 41-to-7.

I had hoped the Hinds County Chancery Court would obviate the requirement for these cuts, but yesterday's ruling did not do so. I will not challenge the decision of the Court, which ruled that Medicaid cannot make up the shortfall by increasing the statutory Gross Revenue Assessment paid by hospitals without further legislative action. I recognize the Court gave the Legislature ample time to act on this issue and regret the House leadership has failed to take advantage of that opportunity.

The cuts being filed today will affect not only hospitals but also other providers of Medicaid services. I consider that unfair, but the federal Center for Medicare and Medicaid Services, which must approve this action, will not allow the cuts to fall solely on hospitals, as I requested.

As Governor I am required by law to take this action. These cuts are bad for health care in Mississippi, but they will take effect on August 6, 2008, unless the House enacts a fair, permanent, sustainable solution such as passed by the Senate last May in SB 2013."

Below is the section of Mississippi law that requires the Governor to make these cuts:

*Excerpt from Section 43-13-117,  
Mississippi Code of 1972, as amended*

The executive director shall keep the Governor advised on a timely basis of the funds available for expenditure and the projected expenditures. If current or projected expenditures of the division are reasonably anticipated to exceed the amount of funds appropriated to the division for any fiscal year, the Governor, after consultation with the executive director, shall discontinue any or all of the payment of the types of care and services as provided in this section that are deemed to be optional services under Title XIX of the federal Social Security Act, as amended, and when necessary, shall institute any other cost containment measures on any program or programs authorized under the article to the extent allowed under the federal law governing that program or programs. However, the Governor shall not be authorized to discontinue or eliminate any service under this section that is mandatory under federal law, or to discontinue or eliminate, or adjust income limits or resource limits for, any eligibility category or group under Section 43-13-115. It is the intent of the Legislature that the expenditures of the division during any fiscal year shall not exceed the amounts appropriated to the division for that fiscal year.

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